

Senate File 2026

SENATE FILE _____
BY COMMITTEE ON
WAYS AND MEANS

(SUCCESSOR TO SSB 3006)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the phaseout of the sales and use taxes on the
2 sale and furnishing of gas, electricity, and fuel to
3 residential customers.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 1 Section 1. Section 423.3, as enacted by 2003 Iowa Acts,
1 2 First Extraordinary Session, chapter 2, section 96, is amended
1 3 by adding the following new subsection:
1 4 NEW SUBSECTION. 84. a. Subject to paragraph "b", the
1 5 sales price from the sale or furnishing of metered gas,
1 6 electricity, and fuel, including propane and heating oil, to
1 7 residential customers which is used to provide energy for
1 8 residential dwellings and units of apartment and condominium
1 9 complexes used for human occupancy.
1 10 b. The exemption in this subsection shall be phased in by
1 11 means of a reduction in the tax rate as follows:
1 12 (1) If the date of the utility billing or meter reading
1 13 cycle of the residential customer for the sale or furnishing
1 14 of metered gas and electricity is on or after January 1, 2004,
1 15 through December 31, 2004, or if the sale or furnishing of
1 16 fuel for purposes of residential energy and the delivery of
1 17 the fuel occurs on or after January 1, 2004, through December
1 18 31, 2004, the rate of tax is two percent of the sales price.
1 19 (2) If the date of the utility billing or meter reading
1 20 cycle of the residential customer for the sale or furnishing
1 21 of metered gas and electricity is on or after January 1, 2005,
1 22 through December 31, 2005, or if the sale or furnishing of
1 23 fuel for purposes of residential energy and the delivery of
1 24 the fuel occurs on or after January 1, 2005, through December
1 25 31, 2005, the rate of tax is one percent of the sales price.
1 26 (3) If the date of the utility billing or meter reading
1 27 cycle of the residential customer for the sale or furnishing
1 28 of metered gas and electricity is on or after January 1, 2006,
1 29 or if the sale, furnishing, or service of fuel for purposes of
1 30 residential energy and the delivery of the fuel occurs on or
1 31 after January 1, 2006, the rate of tax is zero percent of the
1 32 sales price.
1 33 c. The exemption in this subsection does not apply to
1 34 local option sales and services tax imposed pursuant to
1 35 chapters 423B and 423E.
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